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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 35621

FILED
Office of the Secretary
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Public Record

GENESEE & WYOMING INC.
- CONTINUANCE IN CONTROL EXEMPTION -
COLUMBUS & CHATTAHOOCHEE RAILROAD, INC.

PETITION FOR EXEMPTION

EXPEDITED CONSIDERATION REQUESTED

Color Maps Included

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Dated: April 26, 2012

Attorneys for Genesee & Wyoming Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. FD 35621

**GENESEE & WYOMING INC.
– CONTINUANCE IN CONTROL EXEMPTION –
COLUMBUS & CHATTAHOOCHEE RAILROAD, INC.**

PETITION FOR EXEMPTION

Genesee & Wyoming Inc. (“GWI”), a publicly traded non-carrier, petitions for an exemption under 49 U.S.C. §10502 and 49 C.F.R. §1121 from the provisions of 49 U.S.C. §§11323-11324 to enable GWI to control Columbus & Chattahoochee Railroad, Inc. (“CCR”), together with the other railroads currently controlled directly and indirectly by GWI. This Petition is related to the notice of exemption being filed by CCR in STB Docket No. FD 35620 with respect to CCR’s lease from Norfolk Southern Railway Company (“NSR”), and operation of, a 25.5 mile line of railroad between Girard and Mahrt, Alabama. Because GWI cannot control an additional railroad without the prior approval of the Board, it is requesting that the Board grant the exemption requested herein prior to the proposed commencement of operations by CCR on July 1, 2012.

In support of its request for exemption, GWI represents as follows:

THE PROPOSED TRANSACTION

GWI currently controls, directly or indirectly, one Class II carrier and fifty-nine Class III carriers operating in the United States.¹ A list of the carriers and the states in which they operate is

¹ Most recently, GWI was authorized to control Hilton & Albany Railroad, Inc. See STB Docket No. FD 35568, *Genesee & Wyoming Inc. – Continuance in Control Exemption – Hilton & Albany Railroad, Inc.* (served December 16, 2011).

attached as Exhibit A. A map showing the locations of all of the United States carriers controlled by GWI is attached as Exhibit B.

CCR is a newly formed corporation, wholly owned by GWI, that has entered into a lease with NSR to operate the 25.5 mile line of railroad between Girard and Mahrt, Alabama beginning on July 1, 2012. CCR is filing today for an exemption for its proposed lease and operation of the line. When the lease commences, CCR will be a Class III common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105. Maps of the line to be leased and operated by CCR is attached hereto as Exhibit C. CCR will interchange with NSR in NSR's Columbus Yard in Columbus, Georgia. As such, the line to be operated by CCR indirectly connects with the lines of another Class III carrier already controlled by GWI, Georgia Southwestern Railroad, Inc. ("GSWR") which also interchanges with NSR in Columbus Yard. Because GWI, via its GSWR subsidiary, already operates one line that connects with NSR in Columbus Yard, the line to be acquired by CCR is a logical addition. GWI's control of CCR will allow for better coordination, and improved efficiency of service. Service will also be improved because CCR has agreed as part of its lease to maintain the line to FRA Class 2. Further, CCR will be able to take advantage of the administrative services, and localized marketing presence that GWI and its other regional local short lines can provide.

GWI's continuance in control of CCR and the other carriers in its system does not involve a Class I carrier. If not for the fact that the line to be operated by CCR connects indirectly with one Class III carrier already controlled by GWI, this transaction would be an exempt transaction under 49 C.F.R. §1180.2(d)(2). Since the transaction is not eligible for the class exemption notice procedures, GWI is filing this Petition for Exemption.

ADDITIONAL INFORMATION

GWI provides the following additional information about the transaction to enable the Board to process this Petition²:

1180.6(a)(1)

(i) The proposed transaction, as more fully described above, involves the common control of CCR together with the other carriers in GWI's control when CCR becomes a carrier through its lease and operation of a line of railroad. The full name and address of the petitioner is Genesee & Wyoming Inc., 66 Field Point Road, Greenwich, CT 06830.

The name, address and telephone number of the representative of GWI who should receive correspondence is: Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

(ii) GWI would like to have authority to control CCR at the time CCR commences operations on July 1, 2012.

(iii) The purpose of the transaction is to allow GWI to control CCR together with the other carriers in its system, and to allow CCR to take advantage of the market knowledge of GWI's other railroads in the region, and the administrative and operational support that GWI can provide.

1180.6(a)(5)

CCR will operate in the southeastern portion of the State of Alabama, along the state line with Georgia. The railroads controlled by GWI operate in the respective states listed on Exhibit A. As noted above, the one railroad already under the control of GWI (GSWR) that will connect

² This additional information is the information that would have been required under 49 C.F.R.

indirectly with the line to be operated by CCR, also operates in southeast Alabama, as well as in southwest Georgia. *See* Exhibit C.

1180.6(a)(6)

Maps showing the line to be leased and operated by CCR, and the lines of connecting carriers (including GSWR, indirectly) is attached as Exhibit C. A map of the United States generally showing the locations of the GWI controlled railroads is attached as Exhibit B.

1180.6(a)(7)(ii)

There are no documents that will govern the common control of CCR and the other carriers already controlled by GWI (other than their respective corporate governing documents).

Employee protection.

As discussed more fully below, because this transaction involves the control of one Class II carrier and a number of Class III carriers, the labor protection requirements of 49 U.S.C. §11326(b) will apply.

COMMON CONTROL SHOULD BE EXEMPTED

Common control of a rail carrier by a person who is not a rail carrier but that controls a number of railroads is subject to the prior approval and authorization of the Board under 49 U.S.C. §11323(a)(5). Thus, unless the exemption requested herein is granted, the proposed control of CCR by GWI would require that GWI file an application under 49 C.F.R. §1180. Since the transaction does not involve the merger of two Class I railroads, however, the Board would be required to approve the application unless it were to find both:

§1180.4(g), if the transaction were eligible for the class exemption.

(1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and

(2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

49 U.S.C. §11324(d).

The Board is directed by 49 U.S.C. §10502 to grant an exemption from regulation if it finds that (1) regulation is not necessary to carry out the rail transportation policy ("RTP") of 49 U.S.C. §10101, and (2) either the transaction is limited in scope or regulation is not needed to protect shippers from the abuse of market power. The Interstate Commerce Commission held:

In determining whether regulation of a transaction proposed for exemption under §10505 [now 10502] is necessary to carry out the RTP, our analysis generally focuses on the criteria relating to the underlying statute from which exemption is sought. We need not extend our analysis beyond what we would address in an application proceeding itself. See Finance Docket No. 31493, Blackstone Cap. Partners -- Cont. Exempt. -- CNW Corp., Et Al. (not printed), served July 5, 1989, at 2. Section 10505 provides a shortcut analysis to see if regulation -- in this case under §11344(d)[now 11324(d)] -- is necessary. If §11344(d) does not require review of particular issues, neither does the §10505 process.

Indiana R. Co. -- Acq. & Oper. -- Illinois Central R. Co., 6 ICC 2d 1004, 1006 (1990), *aff'd sub nom.*, *Village of Palestine v. ICC*, 936 F. 2d 1335 (D.C. Cir 1991).

As noted above, the inquiry under Section 11324(d) focuses on the lessening of competition and anticompetitive effects. Here, no such effects will be likely.

Further, grant of the requested exemption would also be fully consistent with the standards of 49 U.S.C. §10502. Detailed scrutiny of a full application is not required to carry out the transportation policy of 49 U.S.C. §10101. The grant of an exemption to GWI will minimize the

need for Federal regulatory control (49 U.S.C. §10101(2)), foster sound economic conditions in transportation (49 U.S.C. §10101(5)), encourage efficient management of railroads (49 U.S.C. §10101(9)), and provide for expeditious handling and resolution of all proceedings (49 U.S.C. §10101(15)). Moreover, the grant of the exemption will not adversely affect any of the other 15 items which have been made a part of rail transportation policy by 49 U.S.C. §10101.

Additionally, the transaction is clearly limited in scope. The line to be leased by CCR is only 25.5 miles long and is all in a small region of one state. While CCR will connect indirectly with another carrier in the GWI system, combined they will only operate in a limited geographical region (as shown on Exhibit C), and the access of shippers will not be reduced. CCR will merely substitute for NSR in handling of traffic between the shippers on the line and their connection with NSR in NSR's Columbus Yard. Although the exemption analysis does not require further inquiry, it is also clear in this proceeding that the transaction will not result in any abuse of market power. As noted above, no competitive harm will result (shippers will not lose access to any connecting Class I carriers) and there is no threat of abuse of shippers. By allowing GWI to assume control of CCR, together with the other carriers in its system, the carriers will be able to better coordinate service moving to and from NSR at Columbus Yard, and to take advantage of the planned improvements for the line to be operated by CCR. Further, CCR will benefit from the experience and local marketing contacts of GSWR and the other GWI railroads in the region to develop additional local business.

Employee Protection

The proposed transaction involves the common control of one Class II carrier, and multiple Class III rail carriers including CCR. Accordingly, the labor protection requirements of 49 U.S.C. §11326(b) will apply.

Environmental and Historic Reports

The proposed common control involves only corporate control, and will not affect the level of operations of either the Girard-Mahrt line or on any carriers in the GWI system. As such the proposed transaction should be exempt from the Board's environmental reporting requirements pursuant to 49 C.F.R. §1105.6(c)(2)(ii). Further, the proposed transaction is exempt from the historic preservation reporting requirements since the proposed common control will not substantially change the level of operations over, or maintenance of, either the Girard-Mahrt line or any other carriers. See 49 C.F.R. §1105.8(b)(3).

Expedited Consideration

GWI requests expedited consideration of this Petition so that a decision will be granted prior to the proposed effective date of the CCR lease of July 1, 2012. Common control exemptions take effect on the same schedule as lease exemptions - thirty (30) days after filing. Although the common control in this proceeding does not qualify for the exemption because of the indirect connection between CCR and another carrier that GWI controls, as discussed above, GWI is entitled to the exemption on the same basis. GWI acknowledges that if this exemption is not granted on or before July 1, 2012, that it could place the stock of CCR into a voting trust; however this would add unnecessary cost and complexity to the start up, undercutting the goals of the RTP to minimize the

need for regulatory control (§10101(2)), to reduce regulatory barriers to entry (§10101(7)), and to provide for expeditious handling of proceedings (§10101(15)).

Conclusion

For the foregoing reasons, GWI requests that the Board, under 49 U.S.C. §10502, exempt its proposed common control of CCR and the other carriers in the GWI system, from regulation under 49 U.S.C. §§11323-11324, and that the exemption be made effective as early as possible, and prior to July 1, 2012.

Respectfully submitted,



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Dated: April 26, 2012

Attorneys for Genesee & Wyoming Inc.

VERIFICATION

I, Allison Fergus, Secretary of Genesee & Wyoming Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on April 26, 2012.

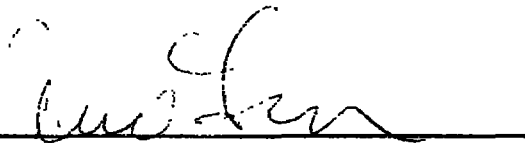

Allison Fergus

EXHIBIT A

CONTROLLED RAILROADS

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CONTROLLED RAILROADS³

Class II Carrier

Buffalo & Pittsburgh Railroad, Inc. [New York, Pennsylvania]

Class III Carriers

Allegheny & Eastern Railroad, LLC [Pennsylvania]
Aliquippa & Ohio River Railroad Co., The [Pennsylvania]
AN Railway, LLC [Florida]
Arizona Eastern Railway Company [Arizona, New Mexico]
Arkansas Louisiana & Mississippi Railroad Company [Arkansas, Louisiana]
Atlantic and Western Railway, Limited Partnership [North Carolina]
Bay Line Railroad, LLC, The [Alabama, Florida]
Chattahoochee Bay Railroad, Inc. [Alabama, Georgia]
Chattahoochee Industrial Railroad [Georgia]
Chattooga & Chickamauga Railway Co. [Georgia, Tennessee]
Columbus and Greenville Railway Company [Mississippi]
Columbus and Ohio River Rail Road Company, The [Ohio]
Commonwealth Railway, Incorporated [Virginia]
Corpus Christi Terminal Railroad, Inc. [Texas]
Dansville and Mount Morris Railroad Company, The [New York]
East Tennessee Railway, L.P. [Tennessee]
First Coast Railroad Inc. [Florida, Georgia]
Fordyce and Princeton RR Co. [Arkansas]
Galveston Railroad, L.P. [Texas]
Genesee and Wyoming Railroad Company [New York]
Georgia Central Railway, L.P. [Georgia]
Georgia Southwestern Railroad, Inc. [Alabama, Georgia]
Golden Isles Terminal Railroad, Inc. [Georgia]
Hilton & Albany Railroad, Inc. [Georgia]
Illinois & Midland Railroad, Inc. [Illinois]
KWT Railway, Inc. [Kentucky, Tennessee]
Little Rock & Western Railway, L.P. [Arkansas]
Louisiana & Delta Railroad, Inc. [Louisiana]

³ Allegheny & Eastern Railroad, LLC and Pittsburg & Shawmut Railroad, LLC are non-operating carriers that own rail lines operated by Buffalo & Pittsburgh Railroad, Inc. Maryland and Pennsylvania Railroad, LLC and Yorkrail, LLC are non-operating carriers that own rail lines operated by York Railway Company. Western Kentucky Railway, LLC recently obtained authority to abandon all of its remaining rail lines.. See, *Western Kentucky Railway, LLC – Abandonment Exemption – In Webster, Union, Caldwell and Crittenden Counties, KY*, Docket No. AB-449 (Sub-No. 3X) (Served January 20, 2011).

Luxapalila Valley Railroad, Inc. [Alabama, Mississippi]
 Mahoning Valley Railway Company, The [Ohio]
 Maryland and Pennsylvania Railroad. LLC [Pennsylvania]
 Maryland Midland Railway, Inc. [Maryland]
 Meridian & Bigbee Railroad, LLC [Alabama, Mississippi]
 Ohio and Pennsylvania Railroad Company [Ohio]
 Ohio Central Railroad, Inc. [Ohio]
 Ohio Southern Railroad, Inc. [Ohio]
 Pittsburg & Shawmut Railroad, LLC [Pennsylvania]
 Pittsburgh & Ohio Central Railroad Company, The [Pennsylvania]
 Portland & Western Railroad, Inc. [Oregon]
 Riceboro Southern Railway, LLC [Georgia]
 Rochester & Southern Railroad, Inc. [New York]
 Salt Lake City Southern Railroad Company, Inc. [Utah]
 Savannah Port Terminal Railroad Inc. [Georgia]
 South Buffalo Railway Company [New York]
 St. Lawrence & Atlantic Railroad Company [Maine, New Hampshire, Vermont]
 St. Lawrence & Atlantic Railroad (Quebec) Inc. [Vermont]
 Talleyrand Terminal Railroad Company, Inc. [Florida]
 Tazewell & Peoria Railroad, Inc. [Illinois]
 Tomahawk Railway, Limited Partnership [Wisconsin]
 Utah Railway Company [Colorado, Utah]
 Valdosta Railway, L.P. [Georgia]
 Warren & Trumbull Railroad Company, The [Ohio]
 Western Kentucky Railway, LLC [Kentucky]
 Willamette & Pacific Railroad, Inc. [Oregon]
 Wilmington Terminal Railroad, Limited Partnership [North Carolina]
 York Railway Company [Pennsylvania]
 Yorkrail, LLC [Pennsylvania]
 Youngstown & Austintown Railroad, Inc. [Ohio]
 Youngstown Belt Railroad Company, The [Ohio]

EXHIBIT B

LOCATIONS OF CONTROLLED RAILROADS

Genesee & Wyoming U.S. Railroads

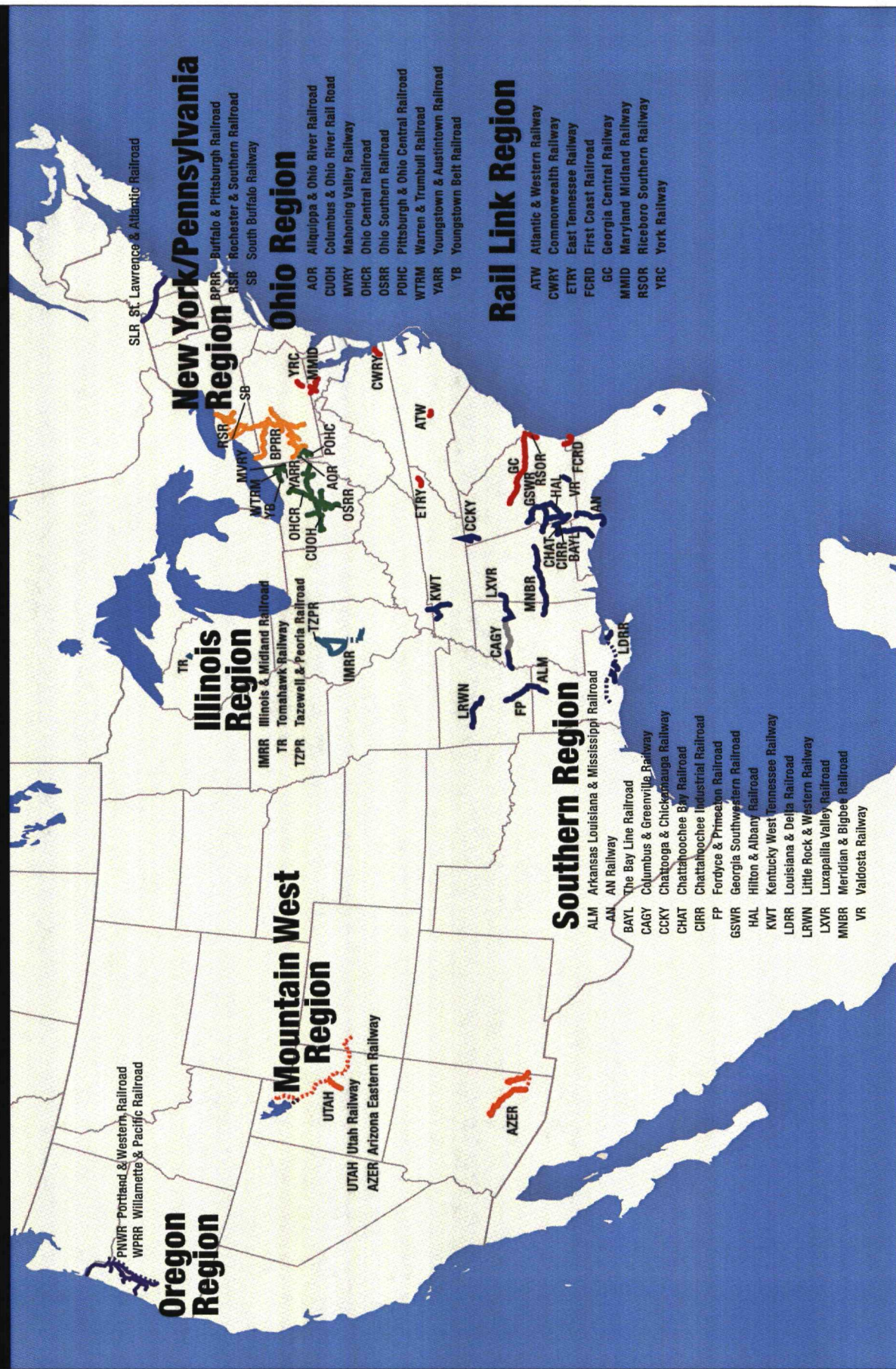


EXHIBIT C

MAPS OF CCR PROPOSED OPERATIONS

